IN 3/2

PD 800-A Department of the Treasury Bureau of the Public Debt
(Rev. Aug., 1985)

INFORMATION

about Treasury Notes and Bonds Sold at Original Issue

T 63.202:

General Information

Treasury notes and bonds are direct obligations of the United States Government. They are commonly known as marketable securities because after the original issue they may be bought or sold in the secondary (commercial) market.

The difference between a note and bond is the length of time or term the security will be outstanding from the date of issue. Treasury notes have a term of at least one year but not more than ten years. Treasury bonds have a term of more than ten years. The Treasury announces the issue date and the maturity date with each new issue of a note and bond.

Treasury notes and bonds are issued at a fixed rate of interest, payable semi-annually. The interest rate is determined through an auction process.

Forms of Issue

New issues of Treasury notes and bonds are currently available in registered or book-entry form. They are not available in coupon form. **Notes and bonds are issued in denominations of $1,000, $5,000, $10,000, $100,000, and $1,000,000, with the exception of notes with terms of less than four years, which are issued in a minimum denomination of $5,000.** The specifics of each new issue, including the denominations available, are included in the offering circular and the announcement.

Registered Securities

A registered Treasury note or bond is an engraved certificate which has the owner's name and taxpayer identification number printed on the front of the security. The ownership is recorded on the books of the Treasury and **interest is paid semi-annually by check.** In the event a payment date is a Saturday, Sunday, or other nonbusiness day, the interest due is payable on the next succeeding business day. Interest checks are made payable to the owner of record and mailed to the address provided by the owner. In addition, registered securities may not be sold or have ownership transferred without the certified request (assignment) of the registered owner.

Book-Entry Securities

Book-entry notes and bonds are represented by entries on records maintained through Federal Reserve Banks and Branches for the accounts of depository institutions. There are no engraved certificates, but book-entry notes and bonds are convertible to physical securities. Book-entry notes and bonds may only be purchased through financial institutions.

Sale Procedures

Treasury notes and bonds are usually sold by auction. The results of the auction determine the price which is paid for the security and the interest rate which Treasury will pay for the use of the money. The auction may be either on a yield basis or a price basis. A yield basis means that the competitive bidding is on the yield the investor is willing to accept on the security, e.g., 9.82. Thus, on a $10,000 security, the investor will accept an annual yield of 9.82 percent return on the investment. A price basis means that competitive bidding is on the price the investor is willing to pay for the security, e.g., 97.50 per $100. Thus, for a $10,000 security, auctioned on a price basis, the investor would be willing to pay $9,750 for the $10,000 face value security. In either case, the investor will not know the exact interest rate until after the results of the competitive bidding have been announced.

Under competitive bidding, the investor risks paying more than necessary for the security, or may not be able to make a purchase because the bid is not within the accepted range. Most individual investors submit a noncompetitive bid, which does not require submitting a specific yield or price bid. In this case, the investor agrees to accept the average yield and equivalent price determined from the average of the competitive bids. A noncompetitive tender from any one bidder may not exceed the maximum amount specified in the offering announcement. **All bids must be received prior to the closing of the auction, usually 1:00 p.m., Eastern Time.**

If, after compiling the competitive bids, a determination is made that the security will sell for less than the par value of the security, investors will receive the difference between the selling price and the par value. This is considered a "discount". If, however, the security sells for more than the par value, the investor will be required to pay the difference between the selling price and par value. This is considered a "premium". A discount or premium does not affect the interest rate which the Treasury will pay for the use of the money.

Purchase

Treasury notes and bonds may be purchased through commercial banks, securities dealers, Federal Reserve Banks and Branches, or the Bureau of the Public Debt. Commercial banks, brokers and securities dealers often charge a service fee for handling purchases for their customers. No such fee is charged by Federal Reserve Banks or Branches, or the Bureau of the Public Debt.

Investors wishing to purchase through the Federal Reserve Banks and Branches or the Bureau, should complete the tender form and submit it either in person or via mail with full payment to the Federal Reserve Bank or Bureau before the closing deadline for the offering. The notation "*Tender for Treasury Note (or Bond)*" should be printed at the bottom of the envelope in which the tender is submitted. If a tender form is not available the investor should submit a letter which must contain the following information:

a. *The investor's name, taxpayer identifying number, address, zip code and daytime telephone number;*

b. *A description of the security to be purchased including the series and/or maturity year;*

c. *Special delivery instructions (if securities are to be mailed to a different address than that of the owner).*

Any tender (or letter) for new securities must include the owner's certification that the Taxpayer Identifying Number provided is correct and that the owner is or is not subject to withholding. IRS Form W-9 must be completed and submitted with any letter, or any tender form which does not include preprinted certification statements. Failure to provide the certification will result in the rejection of the tender.

The tender (or letter) must be signed and submitted with full payment. The tender should be submitted to the Federal Reserve Bank or Branch serving your district or, for those investors located within the Washington, D.C. metropolitan area, to the **Bureau of the Public Debt, Department N, Washington, D.C. 20239-1500.**

Payment may be made in any of the following days:

a. *By check made payable to the Federal Reserve Bank or Branch, or the Bureau of the Public Debt as appropriate. Endorsed or second party checks will not be accepted;*

b. *By cash (United States currency) presented in person;*

c. *By Treasury securities maturing on or before the issue date of the note or bond being purchased but which are not considered to be overdue, as defined in the general regulations governing Treasury securities.*

Registered securities are normally delivered by registered mail within six to eight weeks after the issue date of the security.

Tax Liability

The income derived from Treasury securities, either as interest or as gain from the sale or other disposition of the security, is subject to all Federal taxes. The securities are subject to estate and gift taxes. Both the principal and interest are exempt from state and local income taxes. For further information, contact the nearest Internal Revenue Service Office.

Lost Securities

Reports of lost, stolen or destroyed securities should be submitted to the **Bureau of the Public Debt, Division of Securities Operations, Claims Section, Washington, D.C. 20239-0001.** The report must include all pertinent information about the security (type, series, amount, serial number and registration when appropriate). The phone number is **(202) 447-0085. This is not a toll-free number.**

Lost Interest Checks

In the event a semi-annual interest check is not received within a reasonable period of time, or the check is lost, or stolen or destroyed, written notification should be submitted to the **Bureau of the Public Debt, Department A, Washington, D.C. 20239-1000.** The notification should be signed and include a clear description of the security and the date on which the interest was due.

Redemption At Maturity

Treasury notes and bonds may be redeemed at maturity for par value at any Federal Reserve Bank or Branch, or at the Bureau of the Public Debt. In the event a maturity date is a Saturday, Sunday or other nonbusiness day, the principal is payable on the next succeeding business day. Registered mail should be used when mailing securities. Coupon securities should also be insured against loss. The securities should be accompanied by a letter indicating that payment is requested and showing the address to which the check is to be sent. A telephone number at which the submitter can be reached during business hours should be provided.

Information

Additional information may be obtained by writing the **Bureau of the Public Debt, Division of Securities Operations, Washington, D.C. 20239-0001**, or calling **(202) 287-4113**. Any telephone call must be made at the caller's expense.

Offering Schedule

While the schedule for the sale of notes and bonds is not completely invariable, during recent years the Treasury has generally observed the following financing schedule:

(1) Two year notes are issued at the end of each month;

(2) Four year notes are issued every three months in March, June, September and December;

(3) Five year notes are issued every three months in March, June, September and December.

(4) Seven year notes and twenty year bonds are issued every three months in January, April, July, and October.

(5) On the 15th of February, May, August, and November the Treasury usually issues a three year note, a ten year note and a thirty year bond.

ADDRESSES AND PHONE NUMBERS OF FEDERAL RESERVE BANKS AND TREASURY

If a P.O. Box or other address is shown in parentheses, it should be used for a mailing address rather than the street address. Requests for application forms to purchase Treasury notes and bonds may be sent to your nearest Federal Reserve Bank or the Treasury.

Federal Reserve Bank of

BOSTON 600 Atlantic Avenue, Boston, MA 02106 **(617) 973–3810**

NEW YORK 33 Liberty Street (Federal Reserve P.O. Station) New York, NY 10045 **(212) 791–7773** General Information during regular business hours 9–5: **(212) 791–6619**. Twenty-four hour recording, including Saturday and Sunday: **(212) 791–5823 (results) (212) 791–7773** (new offerings).

Buffalo Branch 160 Delaware Avenue (P.O. Box 961), Buffalo, NY 14202 **(716) 849–5046**

PHILADELPHIA Ten Independence Mall (P.O. Box 90), Philadelphia, PA 19105 **(215) 574–6680**

CLEVELAND 1455 East Sixth Street (P.O. Box 6387), Cleveland, OH 44101 **(216) 579–2490**

Cincinnati Branch 150 East Fourth Street (P.O. Box 999), Cincinnati, OH 45201 **(513) 721–4787, ext. 333**

Pittsburgh Branch 717 Grant Street (P.O. Box 867), Pittsburgh, PA 15230-0867 **(412) 261–7864**

RICHMOND 701 East Byrd Street (P.O. Box 27622), Richmond, VA 23261 **(804) 643–1250**

Baltimore Branch 502 S. Sharp Street, (P.O. Box 1378), Baltimore, MD 21201 **(301) 576–3300**

Charlotte Branch 401 South Tryon Street (P.O. Box 30248), Charlotte,, NC 28230 **(704) 336–7100**

ATLANTA 104 Marietta Street, N.W., (P.O. Box 1731), Atlanta, GA 30301 **(404) 521–8657**

Birmingham Branch 1801 Fifth Avenue, North (P.O. Box 10447), Birmingham, AL 35202 **(205) 252–3141, ext. 215** or **264**

Jacksonville Branch 515 Julia Street, (P.O. Box 2499) Jacksonville, FL 32231-2499 **(904) 632–4245**

Miami Branch 9100 N.W. Thirty-sixth Street Extension, Miami, FL 33178 (P.O. Box 520847, Miami, FL 33152) **(305) 593–9923**

Nashville Branch 301 Eighth Avenue North, Nashville, TN 37203 **(615) 259–4006** Instate WATTS: **1–800–342–8494**

New Orleans Branch 525 St. Charles Avenue (P.O. Box 61630), New Orleans, LA 70161 **(504) 586–1505, ext. 293**

CHICAGO 230 South LaSalle Street (P.O. Box 834), Chicago, IL 60690 Twenty-four hour recording, including Saturday and Sunday. **(312) 786–1110**

Detroit Branch 160 Fort Street West (P.O. Box 1059), Detroit, MI 48231 Twenty-four hour recording, including Saturday and Sunday: **(313) 963–4936** (current rates), **(313) 963–0087** (general information).

ST. LOUIS 411 Locust Street (P.O. Box 442), St. Louis, MO 63166 Twenty-four hour recording, including Saturday and Sunday: **(314) 444–8602**

Little Rock Branch 325 West Capitol Avenue, (P.O. Box 1261), Little Rock, AR 72203 **(501) 372–5451, ext. 258**

Louisville Branch 410 South Fifth Street (P.O. Box 32710), Louisville, KY 40232 **(502) 587–7351 ext. 236** or **238**

Memphis Branch 200 North Main Street (P.O. Box 407), Memphis, TN 38101 **(901) 523–7171 ext. 225** or **641**

MINNEAPOLIS 250 Marquette Avenue, Minneapolis, MN 55480 **(612) 340–2075**

Helena Branch 400 North Park Avenue, Helena, MT 59601 **(406) 442–3860**

KANSAS CITY Attn: Securities Dept., 925 Grand Avenue Kansas City, MO 64198 **(816) 881–2783**

Denver Branch 1020 16th Street (P.O. Box 5228, Terminal Annex), Denver, CO 80217 **(303) 572–2300** Twenty-four hour recording, including Saturday and Sunday: **(303) 572–2475** (current rates), **(303) 572–2477** (general information).

Oklahoma City Branch 226 Dean A. McGee Avenue, (P.O. Box 25129) Oklahoma City, OK 73125 **(405) 235–1721 ext. 182**

Omaha Branch 102 South Seventeenth, Omaha, NE 68102 **(402) 341–3610 ext. 242**

DALLAS 400 South Akard Street (Securities Dept., Station K), Dallas, TX 75222 **(214) 651–6362**

El Paso Branch 301 East Main Street (P.O. Box 100), El Paso, TX 79999 **(915) 544–4730**

Houston Branch 1701 San Jacinto Street (P.O. Box 2578), Houston, TX 77252 **(713) 659–4433**

San Antonio Branch 126 East Nueva Street (P.O. Box 1471), San Antonio, TX 78295 **(512) 224–2141 ext. 309** or **311**

SAN FRANCISCO 101 Market Street (P.O. Box 7702), San Francisco, CA 94120 **(415) 974–2330**

Los Angeles Branch 409 West Olympic Boulevard (P.O. Box 2077, Terminal Annex) Los Angeles, CA 90051 **(213) 683–8546**

Portland Branch 915 S.W. Stark Street (P.O. Box 3436), Portland, OR 97208 **(503) 221–5921** or **5931**

Salt Lake City Branch 120 South State Street (P.O. Box 30780) Salt Lake City, UT 84130 **(801) 355–3131**

Seattle Branch 1015 Second Avenue (P.O. Box 3567), Seattle, WA 98124 **(206) 442–1650**

TREASURY Specific questions concerning your Treasury note or bond:

Bureau of the Public Debt, Dept. A Washington, D.C. 20239-1000

General information concerning Treasury securities and requests for forms:

Bureau of the Public Debt, Dept. F Washington, D.C. 20239-1300

Telephone **(202) 287–4113** Telephone device for the deaf (TDD): **(202) 287–4097**